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17 November 1948

Memorandum for the record

SUBJECT: Conferences re traveling expenses and related matters.

On 13 November 1947 representatives of the Office of the General Counsel, The Special Funds Division, OSO, and the Special Services and the Fiscal Divisions of the Budget and Finance Branch held a meeting to discuss informally various questions which had arisen in connection with the authorization, audit, and payment of expenses of persons traveling for the CIA. The purpose of the discussion was to arrive at a uniform interpretation of existing regulations in order that there might be consistence in the methods used in computing and auditing travelers accounts.

The general questions raised and the interpretations or answers generally agreed upon were as follows:

- I. Q. Will the per diem rates paid to travelers on vouchered and unvouchered funds be computed on the same basis?
 - A. Unless the Authorization of the Director or his written designee, to travel under unvouchered funds, specifically provides otherwise, the per diem rates for persons traveling under unvouchered funds will be computed on the same basis as for persons traveling under vouchered funds. These rates are covered by existing Civilian, Military, and Naval regulations. Rates in excess of those covered by the Standardized regulations must have been approved by the Director if his delegates subsequently authorize such rates.
- II. Q. When a person who is in a travel status rents a hotel room or other accommodations for the purpose of conducting official business therein, but also used the room for personal sleeping quarters, what basis is used for computing and adjusting per diem?
 - A. (1) Determine that the rental of the room for official purposes was necessary and that the cost of such room was reasonable considering the official purposes for which it was used. (2) Determine the amount that the individual would have had to pay for single sleeping quarters at the same hotel if he were renting them for personal use only, and (3) Deduct the amount which the traveler would have had to pay for personal sleeping quarters from the actual cost of the room and pay the remainder as an expense for rental of official quarters.

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The traveler will be required to make a certification as to the amount which he would have been required to spend for separate sleeping quarters, and that amount will normally be deducted from the amount due him.

- III. Q. What about those occasional or extraordinary cases when it is determined in advance by the Director or his written designee that the circumstances or conditions are such that a traveler should be reimbursed on an actual expense or some other basis (other than per diem) and the travel is so authorized?
- A. The reimbursement in such cases would be computed on the basis authorized and the determining factor would be the reasonableness of the charges in each individual case. Such special authorizations should specifically define what is meant by actual expenses, by some such phrase as: "Actual expenses will be allowed for reasonable costs of transportation, food, lodgings, entertainment, necessary tips and related incidental expenses". A maximum monetary limit should be placed upon the amount which the traveler may spend for actual expenses and/or the amount which may be spent for personal and official expenses when the two are intermingled. If separate allowances are to be provided for such items as entertainment, then authorization should so state. In cases where doubt exists as to the reasonableness of the charges claimed under such an authorization, or in cases where the authorization is not clear or is without limitation, the account should be forwarded to the Director or his designee (the authorizing official) for approval before payment is made.
- IV. Q. Under what circumstances and from what type of funds should official entertainment expenses be paid?
- A. Entertainment expenses may be paid from vouchered funds. Reasonable and necessary entertainment expenses may be paid from unvouchered funds when specifically included in an approved project or when specifically authorized or approved by the Director or his written designee.

It was also concluded that when an account is sent to the authorizing or approving official for consideration by the Agent-Cashier or Certifying Officer, a statement should be furnished setting forth essential facts, circumstances, and recommendations. In view of difficulties previously encountered, the need for written authorities and approvals signed personally (not by direction) by appropriately designated officials was stressed.

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Assistant Chief,
Budget and Finance Branch

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